

August 26, 2005

FOR IMMEDIATE RELEASE

FARMERS TO RECEIVE MONEY FROM WILHELM GRAIN CASE  
BY LABOR DAY

LINCOLN - Producers with successful claims arising from the financial failure of the Wilhelm Grain warehouse should receive payments by Labor Day.

The Nebraska Public Service Commission intends to issue payments next week that will amount to most of the \$1.7 million in approved claims against the failed Humboldt elevator in southeast Nebraska.

First District Commissioner Frank Landis of Lincoln, who represents Richardson County, said payments will be close to 100 percent of the \$1,775,813 in valid claims. The money comes from the sale of grain stocks on hand at Wilhelm Grain when the Commission assumed ownership of the grain, from a warehouse bond held by Wilhelm Grain, and from interest on the proceeds that accumulated while the Commission resolved the case. The Commission received proceeds of \$1,564,051 from the liquidation of grain stored at Wilhelm and \$172,500 from Wilhelm's warehouse bond. Additionally, \$18,912 in interest was earned pending final payment of the claims. The total proceeds available for distribution were reduced by expenses totaling \$3,866.32. The remaining sum of \$1,751,597 is available to satisfy claims against Wilhelm.

"We're pleased that this case moved as quickly as it did and that the percentage of recovery is so high," Landis said.

Wilhelm Grain ceased operations on February 10 when the company surrendered its state warehouse license. After taking ownership of the grain, the Commission subsequently sold the grain on February 28. "We were fortunate that commodity prices were high at the time of the sale," Landis said. "That has allowed us to make payments close to the total amount of the approved claims."

Wilhelm Grain's records showed 93 producers had \$1,906,915 claims based on February 11 prices determined by the Commission in a survey of other grain companies in the region. The Commission conducted a public hearing in Humboldt last spring to receive testimony and other evidence on the status of claims. From the records of Wilhelm Grain and testimony at the hearing, the Commission made a determination on the validity of each claim.

The Commission also began an educational campaign this week for producers and members of the grain industry to familiarize them with recent changes in state law that mandate adjustments in the way some aspects of the grain business is conducted. A 10-site videoconference was conducted the afternoon of August 22 for grain dealer and warehouse operators. Some of the chief topics were the laws and Commission regulations that govern the direct shipment of grain from farms to locations other than a warehouse.

The Commission will announce other educational activities as the 2005 harvest season approaches. The effort is a joint project of the

Commission and the grain industry, Landis said. "The Commission is working with grain dealers, warehouse operators, and producers so that everyone has an opportunity to understand how grain storage and sales are to be conducted."

# # #